

COMPARITIVE STUDY OF SEC 206C (1H) and SEC 194Q

Description	Sec 206C (1H)	Sec 194Q
Nature	Tax Collection at Source (TCS)	Tax Deduction at Source (TDS)
Responsibility to Collect/ Deduct	Seller	Buyer whose Turnover > Rs. 10 cr.
Transaction with Whom	Sale of GOODS	Purchase of GOODS from Resident
Threshold Limit	Sales of Rs. 50 Lakh to a Buyer, In any Financial Year	Purchases of Rs. 50 Lakh from a Seller, In any Financial Year
Time of Collection/ Deduction	Receipt of Such Sum	On Purchase/ Payment of Sum whichever earlier.
Rate of Collection/ Deduction	0.1% on sum exceeding 50 Lakhs	0.1% on sum exceeding 50 Lakhs
Rate when no PAN or Aadhar	5%	5%
When not applicable	When Goods are exported out of India If Tax Collected u/s 206C (1F)/ (1G)	If Tax is deductible under any other Sec If Tax is collected u/s 206C other than (1H)
Applicable from	01-10-2020	01-07-2021
Exclusions	If Buyer is Importer of goods CG/ SG, Local Authority An Embassy, High Commission, Consulate, Trade Representation of foreign state.	Yet to notify
Date of Deposit	On or before 7 th of Succeeding Month	On or before 7 th of Succeeding Month
Date of Filing (Quarterly)	On or before 15 th of Month succeeding the quarter	On or before 31 st of Month succeeding the quarter except for quarter 4
Form	27EQ	26Q
Certificate	Form 27D	Form 16A
GST Component included?	As per circular 17-2020 No GST Adjustment is made as tax collected on consideration and not on sale value.	GST Adjustment shall be made
When Turnover of Both Buyer and Seller exceeds 10 Crore who has the responsibility to comply	-	194 Q shall be applicable
If Buyer do not Deduct TDS u/s 194Q	Responsibility of TCS u/s 206 C(1H)	